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**Advisors are getting more comfortable with AI, with exceptions**
By Rob Burgess
February 27, 2025, 5:42 p.m. EST

As generative artificial intelligence becomes more embedded in advisors' practices, most say they consider it a benefit.

Eighty-five percent of respondents to a recent survey from wealth management tech provider Advisor360° called generative AI a "help" to their practice, up 64% from the previous year. Three out of four (76%) said they've enjoyed immediate benefits from using generative AI-enabled tools. The survey polled 300 financial advisors in September and October 2024.

Anton Chashchin, founder and CEO of private fintech group N7 Capital, said the era when AI could be considered a luxury is over.

"Today, it empowers fintech firms to compete with industry giants by automating complex processes and enhancing decision-making," he said.

Stephanie Hughes, CEO of Wiss Family Office in Ridgewood, New Jersey, said her firm leverages AI to enhance efficiency, improve client insights and deepen relationships.

"AI-driven analytics allow us to better understand client needs, enabling more personalized advice and strategic planning," she said. "We also use AI to simplify complex financial, tax and estate issues, making them more accessible to our clients."

But even though advisors are getting more comfortable with AI, many also feel blind trust in the technology is not warranted.

**Be careful with AI inputs and outputs**
Nick Rygiel, owner of Ironclad Financial in Radnor, Pennsylvania, said while he uses AI to develop internal and external tools for research, collaboration, administration and education, he won't use it to communicate directly with clients.

"That is, I'll use AI to outline, proofread, suggest updates and grammar, yet I'm the one writing about the concept for newsletters," he said. "I won't use it to write emails or communicate directly with clients or other responses."

Yuri Nosenko, wealth advisor at mortgage investment fund Imperial Fund Asset Management in Hollywood, Florida, said he has been leveraging AI for various professional tasks, primarily as a modern replacement for traditional search engines like Google and Yahoo.

"It provides quick access to information and helps answer general queries efficiently," he said. "Additionally, AI plays a crucial role in preliminary investment research, assisting in gathering and synthesizing essential data to support informed decision-making."

However, Nosenko said he always thoroughly double-checks any information AI provides, as it does not always generate fully accurate responses.

"This requires verification, refinement, and adjusting queries to ensure high-quality, comprehensive insights," he said. "That said, we do not rely on AI for making investment decisions. While AI-driven investment solutions are being developed and may eventually provide structured, algorithmic decision-making models, our approach remains rooted in human expertise and strategic analysis."

Mark Rosinski, a financial planner with Dunes Financial in Valparaiso, Indiana, said that in his practice AI plays a key role in content refinement, process optimization, marketing support and data summarization.

"AI helps improve blog posts, emails, and client communications by catching grammar issues and enhancing readability," he said. "The advisor still creates the original content — AI acts as an advanced spell-check. I use AI to outline internal workflows and identify efficiency improvements. AI serves as a brainstorming partner for content ideas and marketing strategy execution."

Although, Rosinski said, there are limits to what he will share with AI.

"When reviewing large documents or reports, AI can quickly extract key insights," he said. "However, our firm has a strict 'no client data' rule — AI tools are never used to process or analyze personally identifiable information such as names, addresses, phone numbers, employers or Social Security numbers."

**Advisors wary of AI for financial planning**

Despite growing familiarity with gen AI, there are some areas in which many advisors avoid the technology, according to the Advisor360° survey. Financial advisors said that while they primarily use gen AI for predictive analytics, marketing and summarizing meeting notes, they are least likely to use it to develop personalized financial plans. Just 29% of respondents said they leverage AI-enabled tools for this.

"AI tools can and do make errors, so I believe it's essential to reference trusted sources — such as the IRS — to ensure accuracy and compliance," said Rosinski, who does not rely on AI for financial planning, tax advice or investment management recommendations.

Chashchin said AI isn't infallible, so over-relying on automated decisions in high-stakes environments is risky, especially without robust data quality controls.

"Our approach is to use AI as a powerful assistant while keeping human judgment at the core," he said. "This balance between automation and human oversight is what gives better outcomes."

Brian Seay, chartered financial analyst and founding partner at The Capital Stewards in Huntsville, Alabama, said his firm uses AI to generate the first draft of content like blog posts or podcast script outlines. While he has found the information provided by AI tools like ChatGPT is "usually technically correct," he said the output reads more like a dictionary and less like an engaging article.

"So we amend the AI-generated draft to produce the final version," he said. "Some advisors use AI tools for note-taking or in meetings, our clients still find that awkward. It seems to imply that we aren't listening to their needs, which is the primary point of meeting together instead of simply communicating via email."

**Is AI a threat or an opportunity?**

Only 8% of advisors believe generative AI is a potential threat to their livelihood, compared to 21% who said the same a year ago, according to the Advisor360° survey.

"AI tools don't replace our expertise or the value we provide to clients," said Rosinski, who does not view AI as a threat to his practice. "Rather, they complement our thinking and enhance efficiency. … Until we reach a world where every American has a humanoid AI assistant in their home, these tools will continue to enhance, not replace, the advisor-client relationship. AI can improve efficiency, but it doesn't replicate the trust, judgment and personalized advice that clients expect from a financial planner."

Hughes said while her firm has found AI to be an invaluable tool, she doesn't see it replacing human judgment in areas that require deep expertise, personal trust and emotional intelligence — such as nuanced financial planning and high-stakes decision-making.

"We see AI as a powerful enabler, not a threat," she said. "AI enhances our ability to serve clients by handling foundational tasks, allowing us to focus on high-value conversations and strategic planning. Instead of replacing advisors, AI strengthens their role by providing better data, improving efficiency, and creating more opportunities for meaningful client engagement."

Seay, on the other hand, said he was "shocked" that so few advisors in the survey viewed AI as a threat to their practices.

"Yes, the current AI capability set is a long way from replacing an advisor, but the tools will improve over time," he said. "Estate planning, tax management and even retirement planning are core parts of the advisor value proposition today. AI tools will soon be able to review client materials and produce recommendations that are on par with human advisor recommendations. That will cut into some of

the value provided by human advisors."

Some clients always prefer to have human help, Seay said, but the remaining advisors will need to rely heavily on AI-based tools to leverage their time across more clients as fees erode to compete with AI planning tools that are available to the public.

"Consider TurboTax as an example," he said. "Today, only the most complex individual tax work remains at CPA firms. Many clients, even high net worth clients, can prepare their own tax returns. AI tools will have a similar impact on the financial planning industry."

**Upgrading tech stacks with innovative AI**

Even with the many advancements in technology, advisors still see areas for growth.

Nearly two-thirds (65%) of respondents to the Advisor360° survey said their technology needs an upgrade. Another data point underscores the potential urgency of making those upgrades: more than half (57%) said they "have gained clients due to another advisor's inadequate technology."

William Trout, director of securities and investments at technology data firm Datos Insights, said he has seen innovative financial advisors use generative AI to create personalized financial education modules that adapt to each client's knowledge level and learning style.

"These AI tools can generate realistic financial simulations showing how different life events might impact long-term goals, helping clients visualize complex scenarios," he said.

Trout said other advisors are deploying AI-powered "digital twins" that model client behavior and preferences, enabling more nuanced portfolio recommendations.

"These systems can also generate behavioral nudges to help clients maintain financial discipline during market volatility," he said. "For estate planning, AI can create interactive family wealth transfer visualizations that bring to life complex intergenerational planning strategies."

Nosenko said his firm is considering integrating AI-powered solutions into its workflow, particularly in client interactions.

"One promising direction is using AI avatars to engage with potential clients and introduce our firm's services," he said. "These AI-driven tools could enhance initial client outreach, providing more interactive and engaging presentations compared to traditional text-based messaging. By leveraging AI in this way, we aim to improve response rates and reduce the time spent on prospecting and initial consultations."